

# Year-End Closing Seminar



**Presenters:**  
**Angela Potts**  
**John Wright**

# **Presentation Summary**

- ◆ **The Financial Report of the United States (FR)**
  - **Background**
  - **Material Weaknesses**
  - **Efforts for the Past 6 Years**
  
- ◆ **FACTS I Process for Fiscal Year (FY) 2003**
  - **Overview of the FR Process for FY 2003**
  - **Requirements for agencies**
  - **FACTS I key dates for FY 2003**
  - **Treasury Financial Manual (TFM 2-4000)**

# **The Financial Report of the United States**

# FR Background

- ◆ Government Management Reform Act of 1994
- ◆ FY 1997: first year for an Audited Financial Report
- ◆ Disclaimer opinion issued for the past 6 years



# FR Material Weaknesses

## ◆ Agency Related:

- Property, Plant & Equipment on Inventories & Related Property
- Loans Receivable & Loan Guarantee Liabilities
- Liabilities and Commitments & Contingencies
- Cost of Government Operations & Disbursement Activity
- Accounting for and Reconciling Intragovernmental Activity and Balances

## ◆ Preparation of FR Related:

- Elimination of Federal Intragovernmental Activity and Balances
- Reconciliation of Operating Results with Budget Results
- Consistency of Agency Audited Financial Statements with the FR
- Reconciliation of Net Position

# Efforts for the past 6 years

## ◆ **Elimination of Federal Intragovernmental Activity and Balances:**

- Intragovernmental Eliminations Taskforce (IGET) meetings
- Intragovernmental Fiduciary Confirmation System (IFCS)
- Intragovernmental Reporting and Analysis System (IRAS)
- Federal Intragovernmental Guide
- Chief Financial Officers (CFO) Representations & Inspector Generals (IG) Agreed Upon Procedures

# Efforts for the past 6 years—Cont'd

- ◆ **Reconciliation of Operating Results with Budget Results:**
  - FASAB Standard 24
- ◆ **Consistency of Agency Audited Financial Statements with the FR:**
  - Continue to enhance the formats, CFO process and IG Agreed Upon Procedures
  - Encourage timely submission
- ◆ **Reconciliation of Net Position**
  - Analyze Reciprocal Categories
  - Confirm Agency Net Position with CFO

# FMS Focus in the Future

## ◆ Accelerate FR release dates:

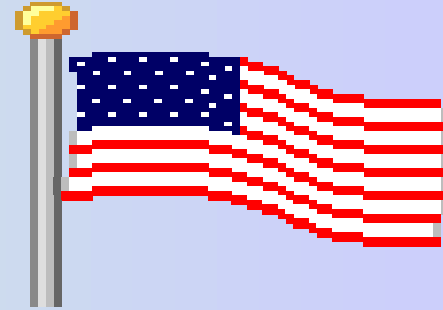
- FR for FY 2003: 02/27/2004
- FR for FY 2004 & beyond: 12/15/2004

## ◆ New Process in FY 2004:

- The Closing Package







# ***Closing Package: Effective for FY 04***

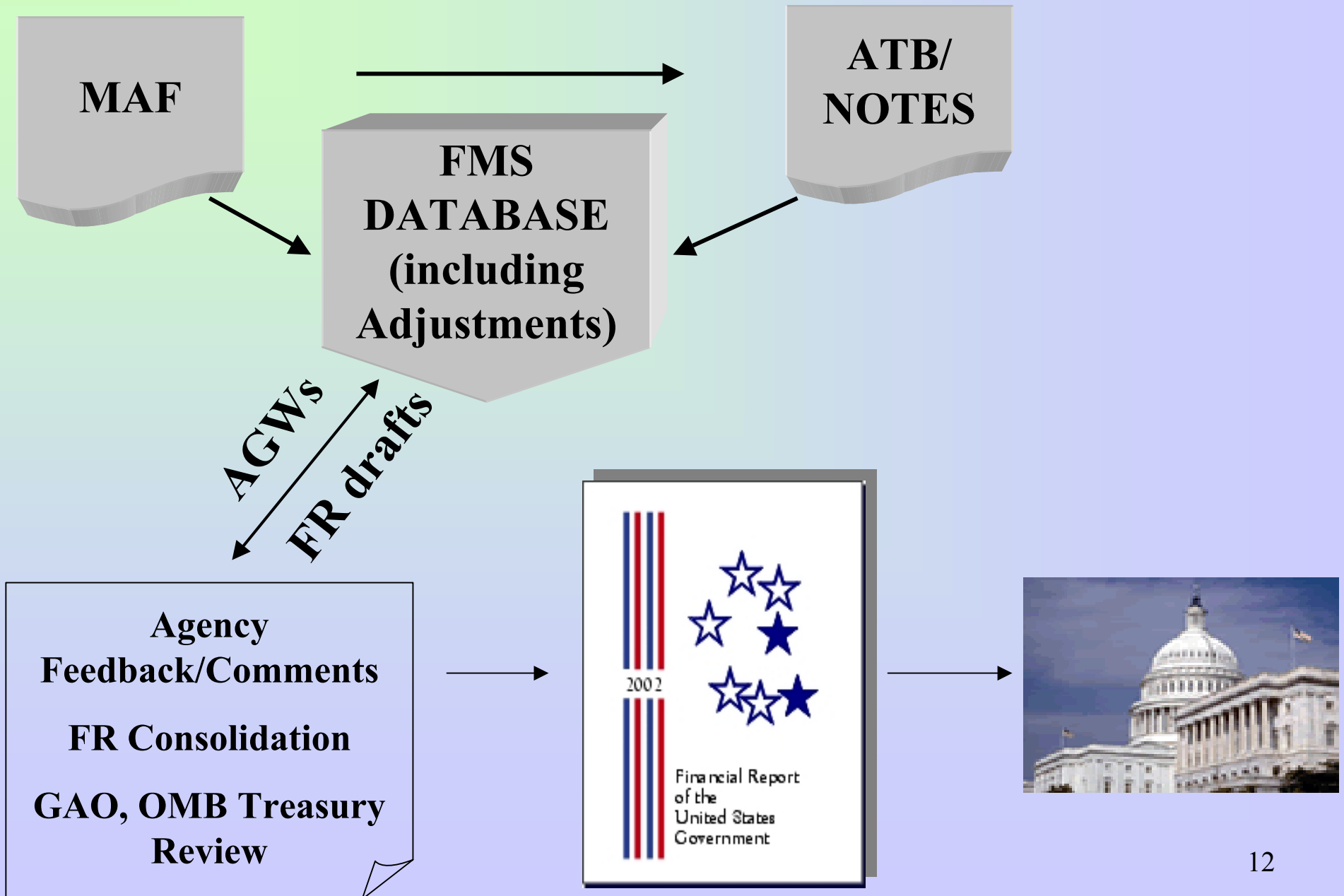
**Please Join Us in Session: FMS Conference August 13<sup>th</sup>,  
Afternoon Session**

# **FACTS I Process for Fiscal Year 2003**

# **Presentation Highlights**

- **Overview of FR Process for FY 2003**
- **Master Appropriation File (MAF)**
- **Adjusted Trial Balances (ATBs) & FACTS I NOTES**
- **Inter/Intra Bureau Elimination ATB**
- **New FACTS I NOTE 24**
- **New USSGL Accounts for FY 2003**
- **Account Groupings Worksheet (AGW)**
- **FACTS I Key Dates for FY 2003**
- **To Do List**
- **Guidance: Treasury Financial Manual (I TFM 2-4000)**
- **Contact Information**

# Overview of the FR Process for FY 2003



# MASTER APPROPRIATION FILE (MAF)

- ◆ Controls the reporting of FACTS I data
- ◆ Identifies ATB Code, Fund Type, Business Line, and Budget Subfunction (BSF)
- ◆ Agency reviews & updates prior year's MAF via FACTS I/GOALS II system
- ◆ FMS reviews & approves completed MAF



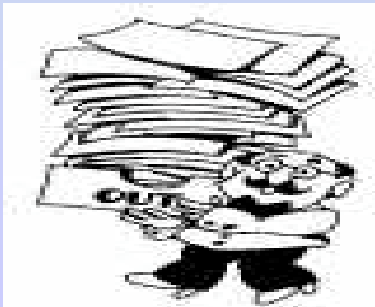
# FACTS I ATB and NOTES

## ◆ ATBs:

- By 8 digit codes (dept, bureau, fund group)
- By Standard General Ledger Account (USSGL)
- Preclosing Trial Balances

## ◆ FACTS I NOTES:

- Provides supporting information and detail to USSGL account balances
  - By Business Line ONLY
  - NOTES must be in balance with ATB's
- \*\*Last Year (FY2003) Required\*\****



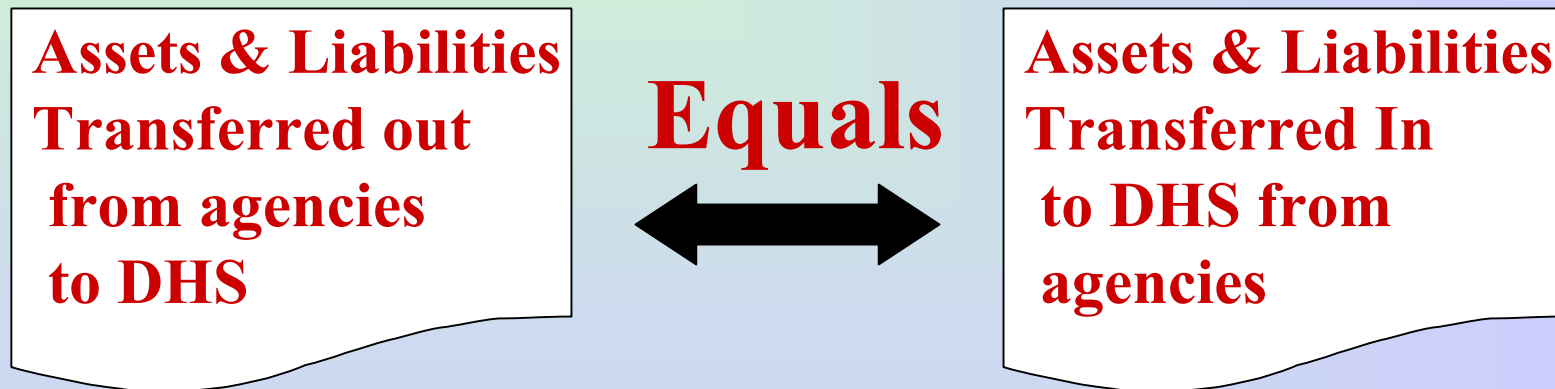
# **INTER/INTRABUREAU ELIMINATION ATB**

- ◆ Uses elimination fund group at department level
- ◆ Elimination fund group includes:
  - Eliminating entries
  - By USSGL Account
  - “F” attributes
  - 2-digit partner code
- “N” attributes not included
- Fund Groups are set up during MAF process

# New FACTS I Note 24

## Department of Homeland Security non-federal transfers

### ◆ Purpose:





# New USSGL Accounts for FY 2003

## Prior Period Adjustments \*

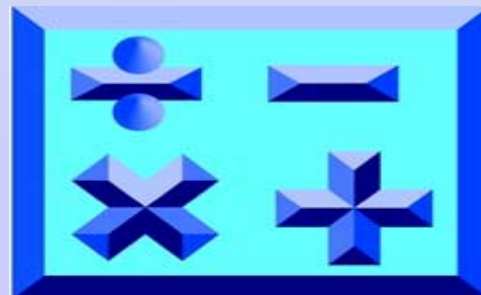
- SGL 3108 Unexpended Appropriations –  
Prior-Period Adjustments – Restated
- SGL 5708 Expended Appropriations –  
Prior-Period Adjustments – Restated
- SGL 5709 Expended Appropriations –  
Prior-Period Adjustments – Not Restated
- SGL 7401 Prior-Period Adjustments – Restated

\*Agencies could early implement for FY 2002

# New USSGL Accounts for FY 2003

## Prior Period Adjustments

- SGL 3109 must equal to SGL 5709 (TC D702)
- SGL 3108 must equal to SGL 5708 (TC D704)



# New USSGL Accounts for FY 2003

## Purchases

- ◆ SGL 8801: Offset for Purchases of Capitalized Assets
- ◆ SGL 8802: Purchases of Capitalized Assets

**\*\*\*Note: These SGL accounts replace NOTE 24 from prior fiscal year\*\*\***



# **Account Groupings Worksheet (AGW)**

- ◆ **Thirty-five verifying agencies must prepare and submit AGWs**
- ◆ **Compare the agency Audited Consolidated Financial Statement (department level) line items with the FACTS I data**
- ◆ **Agencies must identify, resolve or explain differences, as applicable, between the FACTS I data and the agency Audited Consolidated Financial Statement data**

***\*\*Last Year (FY2003) Required\*\****

# **FACTS I Key Dates for FY 2003**



- 09/02/03 MAF Window Opens**
- 09/22/03 MAF submission due to FMS**
- 11/10/03 FACTS I ATB/NOTES Window Opens**
- 01/02/04\* FACTS I ATB/NOTES reports due to FMS**
- 01/08/04\* FMS emails preliminary summarized AGW to CFO & IG**
- 01/16/04\* Final audit adjustments due to FMS**
- 01/23/04\* FMS emails final summarized AGW to CFO & IG**
- 01/29/04\* CFOs submit final AGW including the NOTES review and split SGL account schedule**
- 01/30/04 Agency audited financial statements due to OMB**
- 02/04/04\* IGs submit agreed-upon procedures report**
- 02/27/04 Issue final FR to OMB, Congress and the President**

**\*: No Later Than Date**

# To Do List

- ✓ Submit MAF for review by 9/22/03
- ✓ Submit ATB's and NOTES by 01/02/04
- ✓ Reconcile ATB's and NOTES
- ✓ Use summarized FACTS I data to reconcile consolidated audited agency financial statements to FACTS I submission
- ✓ Make adjustments to the FACTS I data as necessary based on above reconciliation
- ✓ Assure CFO confirmed beginning net position balance agrees with FACTS I data
- ✓ CFO's submit final AGW by 1/29/04 including the NOTES review and split SGL account schedule
- ✓ IG's submit agreed-upon procedures report by 2/4/04

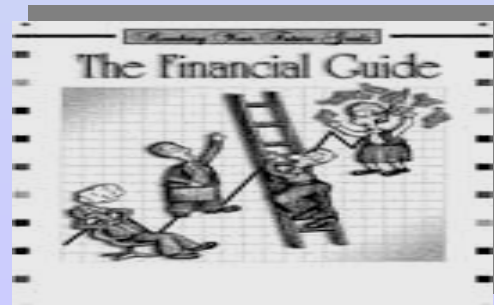
**\*\*\*Note: Refer to Key Dates Table in TFM\*\*\***

# **Treasury Financial Manual (TFM 2-4000)**

*Issued August 5, 2003*

**Contains guidance for:**

- ◆ **Master Appropriation File (MAF)**
- ◆ **FACTS I ATB/NOTES Submission**
- ◆ **FACTS I Key Dates**
- ◆ **CFO Procedures for the Final AGW and Intragovernmental**
- ◆ **IG Agreed Upon Procedures for AGW and Intragovernmental**



# Websites

➤ **FACTS I Website:**

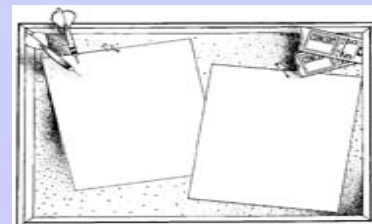
***[www.fms.treas.gov/facti/index.html](http://www.fms.treas.gov/facti/index.html)***

➤ **Financial Accounting Standards Advisory Board (FASAB):** ***[www.fasab.gov](http://www.fasab.gov)***

➤ **Office of Management and Budget (OMB):**  
***[www.whitehouse.gov/omb](http://www.whitehouse.gov/omb)***

➤ **Financial Management Service (FMS):**  
***[www.fms.treas.gov](http://www.fms.treas.gov)***

➤ **General Accounting Office (GAO):**  
***[www.gao.gov](http://www.gao.gov)***





# Contacts

## FACTS I Reporting:

- **Faye McCreary, Director** **202-874-9910**  
**Financial Reports Division**

## FACTS I Technical Assistance:

- **GOALS Customer**  
**Support Center** **202-874-8270**



# Contacts

## SGL Questions:

**USSGL Issues Form**

– **[www.fms.treas.gov/ussgl](http://www.fms.treas.gov/ussgl)**

## Intragovernmental Eliminations Guidance:

– **Hayward Trapps,**

**202-874-9921**

**Team Leader**

**Financial Reports Division**

